GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2479
ANSWERED ON:17.03.2008
TEXTILE UPGRADATION FUND SCHEME
Reddy Shri Karunakara G.

Will the Minister of TEXTILES be pleased to state:

(a) whether the Textile Upgradation Fund Scheme is likely to be down sized;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken/proposed to be taken to help the textile sector;

(d) whether the banks have refused to reimburse 5 per cent interest subsidy under Textile Upgradation Fund Scheme;

(e) if so, the reasons therefor; and

(f) the steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES(SHRI E.V.K.S. ELANGOVAN)

(a) & (b): Under the Technology Upgradation Fund Scheme, which is being implemented by the Ministry of Textiles, Government of India, enhanced budget provisions have been made in the successive financial years i.e. Rs 485 crore in 2005-06, Rs. 835.00 crore in 2006-07, Rs. 945 crore in 2007-08 and Rs. 1140 crore in 2008-09 etc. Accordingly, this Scheme is not likely to be downsized.

(c): The major steps taken by Government to help the textile sector is placed at Annexure.

(d), (e) & (f): No, Sir. Banks cannot refuse to reimburse interest subsidy under the Technology Upgradation Fund Scheme. As mentioned above, there exists budget provision and Government is committed to provide funds to banks.

Annexure

Important measures taken by Government in recent past to help Indian textile sector

(i) To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the Technology Mission on Cotton (TMC).

(ii) To facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sectors, Government has launched the Technology Upgradation Fund Scheme (TUFS). The Scheme has been further fine tuned to increase rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(iii) To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public-Private Partnership (PPP) based Scheme known as the `Scheme for Integrated Textile Park (SITP)` has been introduced in August 2005.

(iv) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty.

(v) Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(vi) In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new Apparel Training and Design Centres (ATDCs).

(vii) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(viii) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(ix) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

(x) In order to promote the Technical textiles, Government has approved a Scheme, which aims at baseline survey of technical textiles units and for setting up of four Centers of Excellence, one each for Agrotech, Buildtech, Meditech and Geotech with the total outlay of Rs.48 crore for 11th Plan period.